

NOTES FOR DR. G. WAYNE CLOUGH
Oversight Committee, Board of Regents
May 11, 1999

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- 2 degrees: MSM (traditional program), MSMoT (executive program).

Both a unique approach to management that utilizes GT's strengths in industrial systems and technology. Designed to complement each other.

- MSM: 1945; closest to traditional MBA, although 55% of students have undergrad degrees in engineering and science, and only 28% have undergrad degrees in management, reflecting unique GT focus. MSM students full-time, traditional academic schedule, 4 semesters (2 years). MSM is what rankings in *USN&WR* et.al. are based on... 33rd, top 10%. Criteria for admission: GPA, GMAT, work experience, essays, references. Average GPA – 3.2. Average GMAT – 632. 110-115 new students each year. Graduate to starting a salary of \$64,000.

- **MSMoT**: 1995; executive program with weekend schedule, 3 semesters. Designed to serve Georgia clientele. Different from executive MBA, interdisciplinary with focus on technology (not competing with GA State, Emory, UGA).
- **MSMoT** attracts students with science/engineering bachelor's degrees (70% have technology backgrounds) who have reached place in career where need management skills. Model fits the generic GT student – most Tech undergrads come from families of modest means, first generation of family to go to college; grad school not on their radar screen. Finish BS with debt and good job offers, and move into job market. Then, after working their way up in their company, come back for management.

Format and space limit to 50 students per class. Similar application process to MSM, although GMAT score tends to be 50 points lower if not right out of undergrad school. Also require at least 5 years

work experience, which can help offset lower GPA or GMAT and narrows target audience to people actually in management positions.

Average GMAT – 590. References, interview.

- MSMoT schedule: 6 quarters (3 semesters)... Designed to allow students to keep working. Begins with 1 week in residence, then regular schedule of all-day Friday and Saturday, every other weekend. Second 1-week residency midway through, then 2-weeks in Europe at the end (cost additional).

Schedule designed to serve in-state commuters. Out-of-staters are within driving distance; not a feasible schedule for long distances.

Schedule will allow for program to double as demand develops – 2 classes going simultaneously on alternating weekends.

- Innovative curriculum created by interdisciplinary team; taught by interdisciplinary faculty from engineers to economists (come from 3 GT colleges). Modeled loosely on MIT's MoT.
- Market-driven. Costs \$39,000 and everybody pays full freight. Yet more apply than we can accept. Employers value the program – 90 percent of students have part or all of cost paid by company. 89 companies have sponsored students, including: IBM, H-P, GA Power, Procter & Gamble, Bell South.

PAGE TWO OF HANDOUT: Makes 2 important points: 1) Majority of students are from Georgia. 2) Three-quarters of students pay full cost.

- Residency Charts: Have more applications than we can accept – this is not a case of whoever shows up with money in hand gets in. More than half of students in both programs in-state. MSMoT stats show program's strong focus on serving Georgians. Can see that we also try to maximize opportunities for in-state students in MSM program.

- Want to point out complementary nature of these two programs.

GT's goal is to strive for excellence and become a world-class university. MSM program is where our national rankings lie, where we are pursuing excellence in a national arena. MSM naturally attracts a more widespread student body, and it is designed for in-residence students who devote themselves full-time to graduate education. MSMoT is deliberately designed to serve in-state students, enabling them to pursue a degree and continue their career at the same time. GT is very concerned that we are able both to pursue excellence in a national arena and also to serve the needs of our in-state constituency... do not want to sacrifice the one to the other. The complementary design of these programs enables us to do both.

- Rankings like *USN&WR* are a widely recognized and relatively objective indication of how we stack up. Beyond our own reputation

as an institution, rankings also reflect on the University System. Help create an image of excellence for the system and the state.

Higher education, especially at the graduate level, is a national market in which the best students readily and easily move across state lines.

If you get too hung up on in-state versus out-of-state students, you put yourself in a Catch 22 situation. For all of GT's MSM slots to be taken by in-state students, we would have to lower our standards and would lose our status. If we do that, you'll see a brain drain in which the best Georgia students leave the state to get excellence somewhere else. And they probably won't come back, because companies move across state lines just as easily as students do, and an increasing number of them want to be located near excellent universities.

Silicon Valley is located where it is because of Stanford. Boston is a thriving economic because of MIT and Harvard. Research Triangle's location was determined by the three universities that form its corners.

As the demand for an educated workforce increases, nationally outstanding universities, especially technological universities, are becoming engines for economic development. Quality companies are attracted to quality universities, and the states that will lead the nation in economic strength will be the ones with outstanding universities. Georgia Tech's quest for national excellence in educational programs is an important part of Georgia's quest for economic strength.

- Tuition Chart: \$39,000 for MSMoT is a lot compared to regular tuition for MSM, but competitive in its market. GaState - \$35,000; Emory - \$52,000; Duke – up to \$85,000, depending on program.
- What happens to the \$39,000?
 - College of Management gives regular master's degree tuition to registrar's office, computed by hour equivalent (\$3,158 for in-state; \$9,848 for out-of-state – less than MSM because program is 3 semesters rather than 4). Note the incentive to cater to in-state students – can keep more of the money.

- Remainder stays in DuPree College to pay for program.

Program costs about \$30,000 per student and is self-supporting; no tax dollars or state time. Cost includes: faculty (in addition to 9-month academic teaching load); administrative staff; guest speakers; textbooks and other supplies/materials; advertising.

- College ends up with about \$600,000 it can use for other purposes.

- Cost per student in MSM: \$8,560. Compare this figure to tuition of \$12,465 for out-of-state and \$3,627 for in-state. Essentially, we are making money off of our out-of-state students and subsidizing our in-state students. Also, GT cost per student compares favorably with UGA, which spends \$13,076 per student – higher salaries and operating costs distributed across fewer students at UGA.

- At any given time, over 250 students enrolled in 2 programs, and 77% of them pay full freight. MSMoT: no financial deals available at all. MSM: some half-dozen waivers, mostly international. 50

assistantships (this is not a hand-out, but payment for work – essentially they earn about \$1,000 a month by working for GT): 18 Ga residents; 32 out-of-state.

- Percentage of MSM graduates who stay in Georgia after graduating is roughly the same as the percentage of students who are in-state to start with, although within that percentage we have a fairly sizable number of out-of-state students who stay and a fairly sizable number of in-state students who leave. Out-of-state attraction is starting salaries that are \$3,000 more on the average than in-state. Students average 3.5 job offers and tend to go where the money is.